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PROBLEMS OF FAR EASTERN POLICY

Council of Secretary of the Navy, Sullivan,

14 January 1948

1. The Secretary's Conncil met at 0930 on Wednesday, 14 January 1948. Mr. Whitney, Assistant Secretary of the Air Force, attended as the guest of the Secretary. The other members of the Secretariat were not present.

2. The meeting was devoted to a presentation by Mr. George F. Kennan of the Department of State with regard to the Far East problem. Mr. Kennan stated that he had no personal knowledge of the areas concerned and was merely describing what he understood to be State Department policy, which is one of current improvisation. Unlike our European policy, no sober balanced program has been worked out with regard to the Far East. Mr. Kennan emphasized that he could give no answers, but only point up the questions.

3. Our first objective is, however, absolutely clear. The security of the United States must never again be threatened by the mobilization against us of the complete industrial area there as it was during the second world war. Our next objective is not nearly as clear, but appears to be the maintenance of access to raw materials in the Far East rather than trade profits which would be minimal. Mr. Kennan believes that other objectives stated from time to time consist merely of words.

4. There are three major factors in the Far East problem:

(a) Revolution

(a) Revolution - the area is going through throes of a complete political, social, and economic revolution. Most of the people in the area are bewildered by the shattering of the age-old patterns of life and are helpless when seized upon by agitators and political bosses. Mr. Kennan feels no "thrill of pleasure" about this revolution because he feels that in many places it may assume most unpleasant forms.

(b) Fragmentation - Traditionally united areas are falling apart and even these fragments are splintering. India is a classical example. The same thing will probably be true in China, Indo-China, and Indonesia.

(c) Weakness - The entire Far East area is weak in economic strength, in the focusing and discipline of national power, and in a military sense.

5. Mr. Kennan's thesis is that we are unable to achieve anything useful either for ourselves or others in this area generally, because (a) we have no simple choices between black and white, (b) we cannot wage a psychological defensive by lies as do our opponents, and lies are more effective than the truth with the people of the area who are, for political purposes, emotionally volatile children, (c) we lack the savage will to power which inspires many Russians who have nothing to lose personally and everything to gain

to gain by a fanatical zeal in spreading communism and who enjoy the contest as if it were a game, much as in the 18th century professional soldiers used to enjoy war, and (d) the Russians demand while we donate and many people would rather give than receive.

6. Mr. Kennan stressed that many of the most able people, measured by individual qualities, were in the ranks of our opponents.

7. In rebutting the proposition that we should give at least economic aid, Mr. Kennan stated that the populations of the Far East are literally regulated by the margin of starvation and that the easing of the margin of starvation will lead merely to further increases in population rather than to elevations of the standards of living.

8. Mr. Kennan felt that in so far as the mainland was concerned, we should adopt a grimly neutral attitude. The peoples on the mainland cannot threaten our security by themselves and cannot assist any Russian threat. Mr. Kennan doubted whether the Chinese communists could take over China, because they do not have people qualified to assume the job of running present non-communist areas, particularly cities, and if they took over the large areas presently

presently non-communist they would have to expand their ranks considerably and water-down their program. He further doubted whether the Russians wanted the Chinese communists to take over China because a united communist China would be much more dangerous to Russia than the present sort of China and might threaten Russian security and Russian control of the communist movement. He sketched out recent diplomatic developments which indicate that the Russians are reaffirming their position that Chiang Kai-Shek should remain in control of China. He expressed the belief that the Chinese communists may now be close to the maximum limits set for them by the Russians. He pointed out that on the mainland the only substantial industrial areas are in Siberia (already owned by the Russians) and in Manchu Korea-North China (already effectively neutralized by Russians). Intervention of any sort merely to hold in status quo would therefore be pointless.

9. Mr. Kennan took an entirely different aspect toward Japan which has an existing industrial area of a strength sufficient to worry us and about the future of which we can definitely do something. He emphasized that we should have two major objectives in Japan for the sake of our own security and to prevent Japan from falling into Russian hands.

hands. These objectives are (1) a stable, internally strong Japanese government and (2) a sufficient degree of disarmament to prevent the Japanese from threatening us. His personal view is that we have probably over done the disarmament and not favored stability at all.

10. In so far as Japan and the island world generally is concerned, Mr. Kennan's view is that we should dispense with bromides about democratization and treat the problem as a naval-air problem with the Philippines and Japan as the main cornerstones of our policy.

11. Mr. Kennan justified the "plague on both your houses" attitude of the State Department by asserting that it gave us bargaining power with the Chinese, who fundamentally are disposed to regard us, as well as everyone else, as "foreign barbarians," and might in turn lead to something like the restoration of the "treaty ports" so that we could trade with the interior of China no matter what was going on in that interior.

12. Mr. Kennan indicated that we would have to get out of Korea as gracefully as possible unless we determined that the southern half is of sufficient strategic importance to retain, which he doubted.

13. In

13. In answer to questions from the Secretary, Mr. Kennan stated that we should definitely get to work very soon to evaluate what bases and installations we need to retain in Japan and the Ryukyus. In this connection, he observed that we should strengthen Japan's economy as much as possible, particularly by promoting the passage of raw materials from the Asiatic mainland to Japan, but that we should have control over such passage so that we could throttle the Japanese economy effectively at any time.

14. The Secretary raised the question of timing the withdrawal, if any, from Korea with the achievement of a strong permanent position in Japan. Mr. Kennan believed that this question raised a very good pdnt, but doubted whether any Korean departure needed to be delayed.